



Financial communication

Results as of June 30, 2021

The COLORADO Board of Directors met on September 21, 2021, under the chairmanship of Mr. Soleiman BERRADA, to examine the activity and approve the accounts as of June 30, 2021

— Highlights of the 1st half of 2021:

- In the first half of 2021, the turnover increased by 52.8% compared to the same period last year. This significant development was accompanied by a 50% increase in volumes sold.
- Sharp rise in world input prices coupled with shortages and rising import freight costs.
- Market launch of several new products (all ranges) developed by our Research & Development laboratory.
- Successful renewal of the ECOLOABEL certification with ZERO non-conformities. It should be remembered that the ECOLABEL is the official label, that is awarded to products with environmental benefits and is one of the most demanding European awards. COLORADO has the widest range of ECOLABEL products on the market.
- Renewal of the COFACE certification with the score « @@@ » for the seventh year running.
- Successful renewal of certification in accordance with the ISO9001 international standard for quality, ISO 45001 (Safety) and ISO 14001 (Environment) with ZERO non-conformities
- Thanks to the continuously monitored measures put in place, the company was able to keep the pandemic situation under control.
- Abandonment of the practice of tokens in the paint industry.

— COLORADO's half-year results are as follows:

The turnover achieved on June 30, 2021 is 268 million dirhams, compared to 175.5 million dirhams in the same period last year. This evolution is primarily due to the turnover of building paints sold on the local market and the strong performance recorded in the export market. The gross margin increased from 67.4 million dirhams on June 30, 2020 to 90.9 million dirhams on June 30, 2021, representing an increase of 35%. This is despite the decrease of the gross margin rate on purchases consumed which has decreased from 38.4% on June 30, 2020 to 33.9% of the turnover before tax. The decrease in the margin rate is attributed to the decrease in sales rates following the decision of the public authorities to remove the loyalty programmes of "token" painters as well as the sharp increase in input prices. The operating income recorded at the end of June 2021 is 19.4 million dirhams against a deficit of -5.1 million dirhams one year earlier. In spite of the decrease in the gross margin rate at June 30, 2021, the evolution of the turnover and the optimization of the operating expenses made this performance possible. The net income stands at 12.1 million dirhams as of June 30, 2021 against a deficit of -10.2 million dirhams compared to the same period last year

— Outlook for the year 2021:

Sales in 2021 will show a large increase over the previous year with sustained activity in the second half of the year but at a slower pace than that recorded in the first half. However, the decline in the margin rate is expected to increase by the end of the year due to the continuing upward trend in input prices combined with the reduction in the sales price of building paints following the abolition of tokens for painters.

COLORADO's management remains confident in achieving the objectives outlined in accordance with the forecasts while continuing the commercial strategy initiated in recent years, which aims at diversifying products and markets.

Web link to the half-year financial report: <https://www.colorado.ma/corporate/fr/etats-financiers>

COLORADO SA Period from 01/01/2021 to 30/06/2021

ASSETS	YEAR			PREVIOUS YEAR
	GROSS	Depreciation and Provisions	NET	NET
Deferred costs	562 928,00	323 456,03	239 471,97	295 302,09
Start-up costs				
Deferred expenses over several years	562 928,00	323 456,03	239 471,97	295 302,09
Bond redemption premiums				
Intangible fixed assets	6 465 023,10	2 005 335,40	4 459 687,70	4 414 798,15
Research and development costs				
Patents, trademarks, rights and similar assets	2 542 523,10	2 005 335,40	537 187,70	492 298,15
Commercial funds				
Other Intangible fixed assets	3 922 500,00		3 922 500,00	3 922 500,00
Tangible fixed assets	301 636 569,27	176 733 197,05	124 903 372,22	128 520 167,39
Land	27 445 760,00		27 445 760,00	27 445 760,00
Constructions	158 950 247,35	80 387 934,35	78 562 313,00	82 825 916,15
Technical installations, plant and machinery, equipment and fixtures	95 866 575,85	80 160 851,38	15 705 724,47	14 725 587,49
Transport equipment	9 498 232,17	8 872 520,27	625 711,90	741 307,33
Office and computing equipment	8 587 435,29	6 766 297,50	1 821 137,79	2 139 841,13
Other tangible fixed assets	548 990,16	545 593,55	3 396,61	17 966,58
Tangible fixed assets in progress	739 328,45		739 328,45	623 788,71
Financial fixed assets	1 523 084,35		1 523 084,35	1 690 728,80
Asset loans	1 111 958,96		1 111 958,96	1 279 603,41
Other financial receivables	138 524,92		138 524,92	138 524,92
Equity securities	272 600,47		272 600,47	272 600,47
Other capitalized securities				
Currency translation adjustments				
Receivables decrease adjustments				
Liabilities increase adjustments				
TOTAL (A+B+C+D+E)	310 187 604,72	179 061 988,48	131 125 616,24	134 920 996,43
Stocks	123 751 534,76	2 663 289,40	121 088 245,36	123 234 032,80
Goods	5 859 807,11	36 681,26	5 823 125,85	4 421 690,23
Consumables and Supplies	70 083 836,64	1 298 580,82	68 785 255,82	75 606 817,73
Products in progress	3 037 601,99		3 037 601,99	3 187 072,40
Intermediate products and residual products				
Finished products	44 770 289,02	1 328 027,32	43 442 261,70	40 018 452,44
Receivables in current assets	254 566 372,72	49 971 782,92	204 594 589,80	198 894 526,67
Suppliers debtors, advances and deposits	398 831,42		398 831,42	2 284 821,11
Customer and accounts receivable	230 057 147,02	49 355 557,28	180 701 589,74	172 977 693,32
Personnel	160 589,97		160 589,97	220 323,35
State	21 363 428,48		21 363 428,48	23 028 851,55
Intercompany accounts				
Other receivables	723 795,80	616 225,64	107 570,16	120 632,63
Prepaid expenses	1 862 580,03		1 862 580,03	262 204,71
Securities and investment securities	76 001 135,25		76 001 135,25	109 953 470,39
Foreign exchange	237 911,34		237 911,34	106 791,83
TOTAL II (F+G+H+I)	454 556 954,07	52 635 072,32	401 921 881,75	432 188 821,69
Cash - Assets	11 059 781,64		11 059 781,64	10 773 040,73
Checks and cash values	4 666 793,05		4 666 793,05	2 179 783,00
Banks, Treasury and public agency accounts	6 319 198,65		6 319 198,65	8 553 741,08
Cash	73 789,94		73 789,94	39 516,65
TOTAL III	11 059 781,64		11 059 781,64	10 773 040,73
TOTAL ASSETS I+II+III	775 804 340,43	231 697 060,80	544 107 279,63	577 882 858,85

COLORADO SA Period from 01/01/2021 to 30/06/2021

LIABILITIES	YEAR		PREVIOUS YEAR
	YEAR	PREVIOUS YEAR	NET
Stockholders equity	296 337 302,93	334 361 095,86	
Capital (I)	120 882 080,00	120 882 080,00	
Minus : shareholders, uncalled committed capital			
Called capital	120 882 080,00	120 882 080,00	
Which paid	120 882 080,00	120 882 080,00	
Premium paid for stock issues, mergers, and capital contributions			
Revaluation reserve			
Legal reserve	12 088 208,00	12 088 208,00	
Other reserves	40 000 000,00	40 000 000,00	
Retained earnings (2)	111 224 744,65	143 903 508,55	
Allocation pending Result			
Net income for the year (2)	12 142 270,28	17 487 299,31	
Total stockholders equity (A)	296 337 302,93	334 361 095,86	
Stockholders equity and equivalent	101 117,72	134 823,63	
Investment subsidies	101 117,72	134 823,63	
regulated provisions			
Financing debt (C)	28 994 758,27	21 936 886,81	
Bonds			
Other financing debt	28 994 758,27	21 936 886,81	
Term provisions for risks and charges (D)			
Provisions for risks			
Provisions for charges			
Long term currency translation adjustments			
Receivables increase adjustments			
Debt decrease adjustments			
TOTAL I (A+B+C+D+E)	325 433 178,92	356 432 806,30	
Current liabilities debt (F)	204 445 273,21	221 269 505,63	
Accounts payable	149 615 941,59	163 463 109,95	
Advance payments from customers, deposits and advances	6 754 316,79	6 896 249,22	
Personnel	5 308 985,43	5 573 923,62	
Social security agencies	3 199 784,40	3 738 576,38	
State	39 154 295,81	41 391 289,59	
Intercompany accounts			
Other creditors	269 729,01	177 969,06	
Prepaid income	142 220,18	28 387,81	
Other provisions for risks and charges (G)	237 911,34	106 791,83	
Current currency translation adjustments	176 567,04	73 755,09	
TOTAL II (F+G+H)	204 859 751,61	221 450 052,55	
Cash liabilities	13 814 349,10		
Discount Credits			
Cash Loans	12 985 556,33		
Bank adjustment accounts	828 792,77		
TOTAL III	13 814 349,10		
TOTAL GENERAL I+II+III	544 107 279,63	577 882 858,85	

(1) Capital personnel débiteur. (2) Bénéficiaire(+), déficitaire(-).

COLORADO SA Period from 01/01/2021 to 30/06/2021

DESCRIPTION	OPERATIONS		TOTALS OF YEAR	TOTALS OF THE PREVIOUS YEAR
	Specific to the exercise	For earlier years		
	1	2		
OPERATING REVENUS	282 102 818,85		282 102 818,85	173 690 219,69
Sales of goods (in condition)	3 222 522,67		3 222 522,67	2 760 751,53
Sales of goods and services	264 838 730,02		264 838 730,02	172 722 263,32
Sales	268 061 252,69		268 061 252,69	175 483 014,85
Change in product inventories (1)	2 987 766,80		2 987 766,80	-15 222 385,35
Assets produced by the company itself				
Operating subsidies				
Other operating income				
Operating expense transfers Reversals	11 053 799,36		11 053 799,36	13 429 590,19
Total I	282 102 818,85		282 102 818,85	173 690 219,69
OPERATING EXPENSES	262 657 418,01		262 657 418,01	178 825 258,55
Purchases of resold goods (2)	4 618 723,42		4 618 723,42	2 134 709,55
Purchases of materials and supplies (2)	175 460 966,98		175 460 966,98	90 764 392,05
Other external expenses	41 466 124,01		41 466 124,01	41 670 936,72
Tax & duties	1 262 766,09		1 262 766,09	1 075 573,01
Staff costs	28 457 327,67		28 457 327,67	25 240 454,47
Other operating expenses	900 000,00		900 000,00	900 000,00
Operating Depreciations and Impairments	10 491 509,84		10 491 509,84	17 039 192,75
Total II	262 657 418,01		262 657 418,01	178 825 258,55
OPERATING RESULT (I-II)	19 445 400,84		19 445 400,84	-5 135 038,86
FINANCIAL INCOME	1 791 934,14		1 791 934,14	471 387,87
Income from equity securities and other investments				
Exchange gains	105 531,74		105 531,74	262 097,35
Interests and other financial products	1 579 610,55		1 579 610,55	73 807,56
Financial costs transfer	106 791,83		106 791,83	135 482,96
Total IV	1 791 934,14		1 791 934,14	471 387,87
FINANCIAL COSTS	4 720 748,73		4 720 748,73	3 397 541,88
Interests expenses	654 583,18		654 583,18	1 066 321,97
Exchange losses	455 484,17		455 484,17	310 144,89
Other financial expenses	3 372 770,04		3 372 770,04	1 956 905,65
Financial Depreciations and Impairments	237 911,34		237 911,34	64 169,37
Total V	4 720 748,73		4 720 748,73	3 397 541,88
FINANCIAL RESULT (IV-V)	-2 928 814,59		-2 928 814,59	-2 926 154,01
CURRENT RESULT (III + VI)	16 516 586,25		16 516 586,25	-8 061 192,87
EXCEPTIONAL PRODUCTS	830 585,11		830 585,11	198 209,73
Disposals of fixed assets	205 166,66		205 166,66	110 000,00
Compensating subsidies				
Investment subsidies income	33 705,92		33 705,92	33 705,92
Other exceptional products	591 712,53		591 712,53	54 503,81
Exceptional expense transfers				
Total VIII	830 585,11		830 585,11	198 209,73
EXCEPTIONAL EXPENSES	967 423,08		967 423,08	1 479 983,14
Net value depreciation of fixed assets sold	31 632,73		31 632,73	1 718,49
Subsidies Awarded				
Other exceptional expenses	935 790,35		935 790,35	1 478 264,65
Exceptional depreciations and Impairments				
Total IX	967 423,08		967 423,08	1 479 983,14
EXCEPTIONAL RESULT (VIII-IX)	-136 837,97		-136 837,97	-1 281 773,41
RESULT BEFORE tax (VII-X)	16 379 748,28		16 379 748,28	-9 342 966,28
INCOME TAX	4 237 478,00		4 237 478,00	877 415,07
NET INCOME (XI-XII)	12 142 270,28		12 142 270,28	-10 220 381,35
TOTAL REVENUE (I+IV+VII)	284 725 338,10		284 725 338,10	174 359 817,29
TOTAL EXPENSES (II+V+IX+XIII)	272 583 067,82		272 583 067,82	184 580 198,64
NET INCOME (total revenue-total expenses)	12 142 270,28		12 142 270,28	-10 220 381,35

1) Variation de stock : Stock final-Stock initial : Augmentation(+); Diminution(-)
2) Achats revendus ou achats consommés : Achats - variation de stock.





COLORADO S.A.

ATTESTATION DES COMMISSAIRES AUX COMPTES

PERIODE DU 1^{ER} JANVIER AU 30 JUIN 2021

En application des dispositions du Dahir portant loi n° 1-93-212 du 21 septembre 1993, tel que modifié et complété, nous avons procédé à un examen limité de la situation intermédiaire de COLORADO S.A. comprenant le Bilan et le Compte de Produits et Charges relatifs à la période du 1^{er} janvier au 30 juin 2021. Cette situation intermédiaire qui fait ressortir un montant de capitaux propres et assimilés totalisant MAD 296.438.420,65 dont un bénéfice de MAD 12.142.270,28, relève de la responsabilité des organes de gestion de COLORADO S.A.

Cette situation intermédiaire a été arrêtée par le conseil d'administration le 21 septembre 2021, dans un contexte évolutif de la crise sanitaire de l'épidémie de Covid-19, sur la base des éléments disponibles à cette date.

Nous avons effectué notre mission selon les normes de la profession au Maroc relatives aux missions d'examen limité. Ces normes requièrent que l'examen limité soit planifié et réalisé en vue d'obtenir une assurance modérée que la situation intermédiaire ne comporte pas d'anomalie significative. Un examen limité comporte essentiellement des entretiens avec le personnel de la société et des vérifications analytiques appliquées aux données financières ; il fournit donc un niveau d'assurance moins élevé qu'un audit. Nous n'avons pas effectué un audit et, en conséquence, nous n'exprimons donc pas d'opinion d'audit.

Sur la base de notre examen limité, nous n'avons pas relevé de faits qui nous laissent penser que la situation intermédiaire, ci-jointe, ne donne pas une image fidèle du résultat des opérations du semestre écoulé ainsi que de la situation financière et du patrimoine de la société COLORADO S.A. arrêtés au 30 juin 2021, conformément au référentiel comptable admis au Maroc.

Casablanca, le 21 septembre 2021

Les Commissaires aux Comptes

BTM audit

BTM AUDIT

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